

ASX ANNOUNCEMENT

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SAN JOSÉ PERMITTING PATHWAY CLARIFIED BY INVESTIGATION PERMIT RULING

HIGHLIGHTS

- Court ruling confirms prior cancellation of Investigation Permit: City of Cáceres local council reiterates its desire to see the underground project application presented
- The Company's permitting strategy remains on course for the lodgement of the Exploitation Concession Application despite the ruling by the Court
- The Exploitation Concession permitting process has already been initiated following invitation from the regional and local authorities
- The Company is advancing the lodgement of a direct Exploitation Concession Application
- Infinity is well funded for lodgement of the Exploitation Concession Application and advancing through permitting and feasibility studies
- Regional Government of Extremadura has ratified the Lithium Decree Law for integrated lithium projects to be classified as projects of regional interest and subsequently benefit from reduced administrative timeframes

Infinity Lithium Corporation Limited ('Infinity', or 'the Company'), through wholly owned subsidiary Extremadura New Energies, will advance submissions for the lodgement of a direct exploitation concession following the determination by the Contentious Administrative Court

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(‘CAC’, or ‘the Court’) in Cáceres to uphold the cancellation of the Investigation Permit Valdelflorez (‘PIV’). The Company reserves all legal rights and the CAC’s decision has provided clarity on the pathway to the lodgement of an Exploitation Concession (see ASX Announcement 6 September 2022).

Going Forward:

The Company’s permitting strategy remains on course for the lodgement of the Exploitation Concession Application following the initiation of the permitting process at the invitation of regional and local authorities (refer to ASX Announcement 3 October 2022).

City of Cáceres Mayor, Mr Luis Salaya, has highlighted that the City Council is now awaiting the presentation of the San José Lithium Project (‘San José’, or ‘the Project’), stating:

“The project is already underground. From there, it will be the technicians who will have to report on what would or would not be necessary and then the city will have to discuss the convenience or not of the project.”

Furthermore, Mr Salaya has reinforced that following the Court’s determination, there has been little change in the evolution of the Project, noting ***“The point we are at now is the same one we were at yesterday”*** following the Company’s prior decision to advance the redesigned underground and integrated lithium chemical conversion facility.

Regarding the decision, Extremadura New Energies’ CEO Ramón Jiménez noted, ***“This decision has provided us clarity on the pathway to apply directly for the Exploitation Concession through our Exploration Permit application as has been acknowledged by Regional Government of Extremadura under the Mining Law with the technical and economic viability of the San José deposit demonstrated. All steps taken up to this moment are valid and maintain our expected execution timeline on track.”***

Infinity Lithium Corporation Managing Director, Ryan Parkin noted, ***“The Company has worked with regional and local authorities towards preparing a permitting pathway which considers any outcome with regards to this decision. We look forward to progressing the lodgement of***

the Exploitation Concession Application through this now defined pathway in line with the support shown by relevant local and regional stakeholders.”

Exploitation Concession Application Process

The Regional Government of Extremadura has publicly acknowledged the potential for the Project Joint Venture ('JV') entity Tecnología Extremeña Del Litio S.L. ('TEL') to apply for a direct Exploitation Concession through the submission of an Exploration Permit application. The Company and TEL maintain subsequent and sequential rights to the Extremadura Exploration Permit as detailed in ASX announcement 19 July 2021. The avenue to lodge an Exploitation Concession application is available under the Mining Law with the technical and economic viability of the San José deposit demonstrated. The San José Mineral Resource Estimate under JORC was announced in 2018 following extensive drilling within the PIV area.

Subsequent to the cancellation of the PIV, the Company announced the redesigned project and underground mineral exploitation with the delivery of a positive Scoping Study (refer to ASX announcement 14 October 2021) following a decision to move to underground extraction of lithium after direct engagement with local and regional stakeholders and government.

Initiation of Exploitation Concession Application Process

The process of submitting an Exploitation Concession application was initiated in advance of the Court's decision with the lodgement of the 'Initial Document' to the Dirección General de Industria, Energía y Minas (General Directorate of Industry, Energy and Mines) and Dirección General de Sostenibilidad (General Directorate of Sustainability) in Extremadura. The purpose of the Initial Document is to request that the environmental body formulate the Environmental Impact Assessment Scoping Document ('ESIA') in advance of the commencement of the ordinary EIA procedure. The ESIA will provide the basis on the direct Exploitation Concession application. Refer to ASX Announcement 3 October 2022 for further details.

The Regional Government of Extremadura has previously clarified the potential for integrated lithium projects to be classified as projects of regional interest and subsequently benefit from

reduced administrative timeframes following the ratification of the Extremadura Lithium Decree Law. San José fully comply with the decree law to exploit and process lithium in the region of Extremadura. For further details refer to ASX announcement 3 October 2022.

Infinity is committed to the redesigned project which incorporated the underground extraction of lithium and development of a fully integrated industrial lithium conversion plant (see ASX Announcement 14 October 2021). The Company will continue to collaborate with local and regional stakeholders and government following the initiation and submission of preliminary documentation to advance the Project's Environmental Impact Assessment ('EIA') and Mining Licence Application ('MLA'). For further details refer to ASX Announcement 3 October 2022.

Regarding the determination of the Court, the Company expressly continues to maintain that the proposed research activities conducted in the assessment of the Project in the area of the PIV did not constitute extraction or exploitation of raw materials, and therefore were actions not affected by limitations in the General Urban Development Plan of Cáceres. In effect the Court's judgement has determined investigative activities such as drilling and pitting are not considered extractive activities under the Mining Law but are considered as extractive activities for municipal urban planning purposes.

The Company could furthermore defend its legal rights through the potential to appeal the decision through the TEL, however any future appeal will not impact the momentum of the Exploitation Concession Application.

Trading Halt

This was the announcement referred to in the Company's request for trading halt on 21 December 2022.

The announcement was authorised by the Managing Director and Chairman. For further inquiries please contact.

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About Infinity Lithium

Infinity Lithium is an Australian listed minerals company who is seeking to develop its 75% owned San José Lithium Project in Spain. The proposed fully integrated industrial Project is focused on the production of battery grade lithium chemicals from a mica feedstock that represents the EU's 2nd largest JORC compliant hard rock lithium deposit.

The Project would provide an essential component in the EU's development of a vertically integrated lithium-ion battery supply chain. The availability of critical raw materials and the production of battery grade lithium hydroxide in the EU is essential to ensure the long-term production of lithium-ion batteries for electric mobility and the transition of the EU's automotive industry towards electric vehicles.